

U. S. TREASURY DEPARTMENT  
Internal Revenue Service  
Washington 25, D. C.

Alcohol and Tobacco Tax Division  
Industry Circular No. 57-1

January 8, 1957

Records and Reports

Proprietors of vinegar plants, registered distilleries, fruit distilleries, internal revenue bonded warehouses, taxpaid bottling houses, and rectifying plants; and other concerned:

1. The purpose of this industry circular is to provide information relative to amendments of 26 CFR Parts 194, 195, 216, 220, 221, 225, 230, 235, and 240 by Treasury Decision 6221, approved December 27, 1956, and published in the Federal Register for January 4, 1957. The amended regulations, which simplify recordkeeping and reporting requirements, will become effective on March 1, 1957. The amendments were first published as a notice of proposed rule making in the Federal Register for September 20, 1956.

2. Changes of interest to industry are as follows:

(a) Operating records

The amended regulations eliminate present requirements that detailed operating records must be kept on prescribed forms. Under the revised regulations the proprietor is required to show certain specific information in his operating records, but is not restricted or limited in any manner as to form or format of such records. If he wishes to maintain operating records on forms similar to the ones now in use, he may do so; on the other hand, he may find it desirable to design different forms or different recordkeeping methods. No restriction is placed on the use of official forms or commercial papers as primary operating records.

(b) Monthly report of operations

The regulations as revised no longer require full and complete transcripts of operating records to be submitted to the assistant regional commissioner. This will eliminate presently required reports on parts 1 and 2 of Form 1598 from registered distilleries; parts 1 and 2 of Form 15 from fruit distilleries; parts 1, 2, and 3 of Form 575 from distillery denaturing bonded warehouses; parts 1 and 2 of Form 1623 from vinegar factories; parts 1, 2, and 3 of Form 52 D from taxpaid bottling houses; and parts 1, 2, 3, 4, 5, and 8 of Form 45 from rectifying plants. Monthly summary reports of operations will continue to be submitted to the assistant regional commissioner on the forms prescribed.

(c) Strip stamps

The requirement that strip stamp records must be kept on prescribed forms has been eliminated. The revised regulations provide that the records of strip stamp transactions must contain certain information, but the form or format of such records is left to the proprietor. Monthly summary reports of strip stamp transactions will continue to be submitted on the Form 2260 which was introduced to industry by Industry Circular No. 56-13, dated April 19, 1956.

The trial procedure of furnishing daily memorandum reports to storekeeper-gaugers, showing in summary form the quantity of distilled spirits bottled and the number of strip stamps used, has been included in the revised regulations.

(d) Transactions at taxpaid premises and contiguous off-premises export storage premises of distilleries and warehouses

The amended regulations eliminate present requirements that records of transactions at taxpaid premises and contiguous off-premises export storage premises must be kept on Record 52, or Form 52 E, or both, and that monthly transcripts of such records must be submitted on Forms 52 A and 52 B, and/or 52 E. The amended regulations require that complete records of transactions at such premises must be kept by the distiller or warehouseman, but no form or format for such records is prescribed, and no restriction is placed on the use of official forms or commercial papers as such records. A monthly summary report on Form 338 (modified if necessary to cover spirits in bulk containers) will be required.

(e) Transactions at wholesale liquor dealer premises of rectifiers and bottlers

The present regulations require separate records where a contiguous wholesale liquor dealer premises is not used exclusively for products bottled at the rectifying plant or taxpaid bottling house. The amended regulations provide that the operating records and reports of rectifiers and taxpaid bottlers will cover the receipt and disposition of all spirits at their contiguous wholesale liquor dealer premises, whether or not such premises are used exclusively for the products bottled by the proprietor.

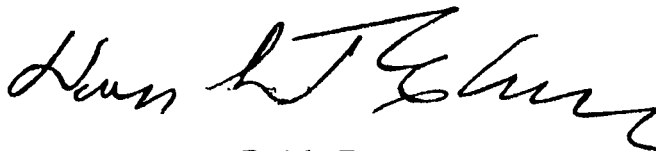
(f) Third party transactions, and transactions in warehouse receipts

The present provisions of regulations which require the recording and reporting of third party transactions and transactions in warehouse receipts are revoked.

(g) Revised forms

Forms 15, 45, 52 C, 52 D, 403, 428, 575, 1598, and 1623 have been revised. The revised forms, bearing revision date of March, 1957, will all be single sheet forms, and most of them are designed for printing on letter-sized stationery. Specimen copies of forms required to be furnished by users at their own expense and supplies of forms which are furnished by the Government will be available at the office of your assistant regional commissioner (alcohol and tobacco tax).

3. Inquiries regarding this circular should refer to its number and be addressed to the office of your assistant regional commissioner (alcohol and tobacco tax).



Dwight E. Avis  
Director, Alcohol and Tobacco Tax Division

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